

# **Frequently Asked Questions**

## **Fiscal Year 2012/2013 Annual Budget**

The following questions are related to annual budgets for the new fiscal year (FY12/13) beginning on July 1, 2012. The budgeting process has changed from last year.

- **Are my site budget funds attached to my site, like a savings account?**

No, the Fund cannot bank site budget funds from year to year. If the approved site budget is not expended one year, it is not available to the site for the following year. Each year a new site budget must be approved.

The Water Board is only authorized to expend a specified amount each year according to the State Budget. The Fund must use a balanced budget approach. Income must match expenditures for each fiscal year. Any unexpended budget authority for one year does not carry over to the next.

For this reason, site budget funds must be expended during the fiscal year for which they are approved. Notifying the Fund of expected under-expenditures at one site may allow the Fund to approve a budget change order for another site during the same fiscal year.

- **When do I need to submit a new budget request for FY 12/13?**

For many claims, it will not be necessary for claimants or consultants to submit individual budget requests. For FY 12/13, it is again expected that the Fund will not have sufficient revenues to support the work directed or approved by regulatory agencies. The projected revenues will dictate the level of funding that can be approved for site budgets.

- **What factors are considered when approving site budgets?**

Factors taken into account for individual site budgets include the claim priority class, current phase of work (budget category), recommendation from the Fund's Five Year Reviews and directives from the lead regulatory agency.

- **Which claims will require submittal of additional budget information?**

Claims should be assigned to the CAP/REM or the RS/IRA budget categories if active remediation will take place during FY 12/13. Claimants or consultants will be requested to submit additional budget information for these sites after budget numbers are posted in May 2012. It would be unrealistic to expect detailed budgets prior to the Fund making its' overall allocation. Depending on the projected revenue available, remediation budgets may have to be scaled back.

- **How do you know what the current work phase is for my site?**

To ensure that the correct phase of work is considered, we will soon be posting on the Fund's web site a listing of the budget categories on record. If the posted categories are incorrect, you should contact us in the manner directed on the website. An email will be sent via the Board's list server to interested parties informing them when the budget categories are posted. You may sign up to receive emails via Lyris at:

[http://www.waterboards.ca.gov/resources/email\\_subscriptions/ust\\_subscribe.shtml](http://www.waterboards.ca.gov/resources/email_subscriptions/ust_subscribe.shtml)

- **When will we receive the approved budgets and how will the Fund send out the information?**

We expect to post the budgets to the Fund's web site in May 2012. An email will be sent via the Board's list serve to interested parties informing them when the budgets are posted.

- **If the approved budget will not be sufficient to complete the required corrective action, can a claimant or consultant request a budget correction?**

The Fund will continue the existing budget change order process used during the current fiscal year. The budget change order form and procedures will remain the same. However, to avoid confusion, budget change orders submitted prior to June 30, 2012 will need to specify the fiscal year for which the request is intended. Claimants will be notified in writing if their budget change order, or part thereof, is approved. If funds are insufficient, the request will be reconsidered in the next budget change order cycle (usually every one to two months depending on additional funds that may become available.)

- **Where does the money come from for change orders?**

Budget change order funds are a result of an increase in revenues and/or a decrease in expenditures. Total revenues may increase due to increased sales of gasoline (i.e., increased volume of gasoline stored). Increase in revenue greater than that projected, allows for additional funds for budget change orders. Expenditures may decrease either because (1) some claims close and no longer draw on the Fund, or (2) an approved site budget is not expended and the Fund is notified during the same fiscal year.

- **What are the priorities for approving annual budgets or change orders?**

All active claims in Priority classes A, B and C will receive a budget. However, if a claimant has not submitted reimbursement requests for an extended period (two years or more), the budget may be reduced to zero.

In addition, change orders may not be approved if it appears that the approved site budget is not being used during the current fiscal year. If a claimant has not submitted reimbursement requests by the established deadlines, budgets for subsequent years will be reduced to provide increased funding for other claims.

- **Why don't active claims in Priority class D receive a budget?**

Active claims in Priority class D do not receive a budget because statute guarantees them 14 percent of the total amount of funds committed for that year. However, active claims in Priority class D for which the Five-Year Review recommends consideration for closure will be given a budget for site closeout.